



**COSTA MESA SANITARY DISTRICT
MINUTES OF BOARD OF DIRECTORS REGULAR MEETING
SEPTEMBER 14, 2005**

CALL TO ORDER

The Board of Directors of the Costa Mesa Sanitary District met in regular session on September 14,, 2005, at 6:00 p.m. at 628 W. 19th Street, Costa Mesa.

President Ferryman called the meeting to order at 6:00 p.m.

PLEDGE OF ALLEGIANCE

Director Perry led the Pledge of Allegiance

INVOCATION

Director Woodside gave the invocation.

ROLL CALL

DIRECTORS PRESENT: James Ferryman, Greg Woodside, Art Perry, Arlene Schafer, Dan Worthington

DIRECTORS ABSENT: None

STAFF PRESENT: Robin B. Hamers, Manager/District Engineer; Alan Burns, Legal Counsel; Tom Fauth, Assistant Manager; Joan Revak, Board Secretary/Program Manager/Clerk of the District; Wendy Davis, Treasurer; Sherry Kallab, Accountant; Debbie Bjornson, Permit Processing Specialist; Denise Gilbert, Permit Processing Specialist; Ron Shef, Ordinance Enforcement Officer

OTHERS PRESENT: Gina Kevillian, 2414 Niagara Way, Costa Mesa



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..... **CONSENT CALENDAR**

Director Worthington motioned to approve the Consent Calendar as presented, Director Schafer seconded. Motion carried 5-0.

REPORTS

MINUTE APPROVAL

| | |
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| Minutes of Regular Meeting, August 9, 2005 | The Minutes of the Regular Meeting of August 9, 2005, were approved as distributed. |
| Minutes of CMSD Special Meeting, August 11, 2005 | The Minutes of the Special Meeting of August 11, 2005, were approved as distributed. |
| Minutes of Recycling Committee Meeting, August 12, 2005 | The Minutes of the Recycling Committee Meeting of August 12, 2005, were approved as distributed. |

MANAGER'S REPORTS

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| Refunds | There were no refunds for the month of August 2005. |
| Occupancy Report and Payment of \$194,652.95 to Costa Mesa Disposal – September 2005 | <p>The Trash Occupancy Count documented an increase of 4 units for the occupancy report for solid waste collection as of September 1, 2005, therefore, the total for September is 21,261.</p> <p>Board directed Staff to prepare a warrant for \$194,652.95 to Costa Mesa Disposal on October 1, 2005, for September 2005 collection count of 21,261.</p> |
| Monthly Spill Report to Regional Water Quality Control Board (RWQCB) | The Monthly Spill Report to the Regional Water Quality Control Board (RWQCB) for August 2005 was accepted as submitted. |

ENGINEER'S REPORTS

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| Project Status Report | The Project Status Report dated September 2005 was accepted as submitted. |
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TREASURER'S REPORTS

Financial Report as of July 31, 2005 The Financial Report as of July 31, 2005 was accepted as submitted.

Treasurer's Report as of July 31, 2005 The Treasurer's Report as of July 31, 2005 was accepted as submitted.

Treasurer's Report as of August 31, 2005 The Treasurer's Report as of August 31, 2005 was accepted as submitted.

Warrant 2006-3 for September 2005 in the amount of \$965,726.68 Warrant Resolution #CMSD 2006-2 was approved, authorizing the President and Secretary to sign the warrant ratifying the payment of certain claims and demands, and specifying the funds out of which the same were paid in the amount of \$965,726.68.

Directors Expenses for the Month of August 2005 Director Compensation and Expense Reimbursement for the Month of August 2005 were approved and ratified as follows:

Director Ferryman: \$340.00
Director Perry: \$1,114.09
Director Schafer: \$1,112.12
Director Woodside: \$510.00
Director Worthington: \$1,094.92

..... **END OF CONSENT CALENDAR**

WRITTEN COMMUNICATIONS

Ms. Revak reported there were no written comments received.

PUBLIC COMMENTS

Ms. Kevillian expressed her appreciation for the fine job in trash collection performed by the District



MANAGER'S REPORTS

STANDARDIZED TRASH CONTAINER PROGRAM REPORTS

Mr. Shef presented the Ordinance Enforcement Summary Report for the month of August 2005 as well as a consolidated year to date itemized report of properties investigated. Letters of enforcement are being sent to residents whose properties are listed at least twice during the period.

Discussion held regarding trash containers in alleys.

Mr. Fauth provided an update on standardized container inventory and recommended the Board authorize the Ordinance Enforcement Officer and Costa Mesa Disposal to increase awareness of addresses collected from and report those cases identified to CMSD Staff for correction, back-charging for the last year and removal of the containers from ineligible small businesses. Mr. Fauth requested Costa Mesa Disposal correct their tracking of serial numbers to residential addresses and continue tracking container inventory.

Mr. Fauth presented photographs of homes on Placentia where an extreme excess of large items were on the street for collection. President Ferryman noted that this is an abuse of the large item collection program and the homeowner should be advised that such amounts of large items will not be collected.

Mr. Shef presented photographs of alleys where problems in placement of the containers have been noted. There are areas where it is difficult or impossible for the contractor to maneuver the trash vehicle in order to pick up the trash. Mr. Hamers noted that alleys in the City are 20 feet wide. City of Costa Mesa Ordinance requires that containers be removed from public view.

Director Schafer suggested putting the alley situation on hold until the 2006 Strategic Planning Workshop.

CMSD STRATEGIC PLAN

YEAR 2005 STRATEGIC PLANNING ACTION ITEMS

Mr. Hamers noted that the Board is in receipt of a City of Costa Mesa Staff Report to the Costa Mesa City Council recommending they discontinue negotiations on providing field services crew services to CMSD.



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Mr. Hamers reported Staff has been meeting on a regular basis every 7 to 10 days to discuss all options available to contract out, purchase equipment, lease, etc. to provide CMSD field services, and a great deal of progress has been made. Mr. Hamers suggested the Board may want to have a Special Meeting to be apprised of the status of field crew services. President Ferryman expressed his desire for Staff to produce a product showing comparison of contracting out versus hiring staff to perform these services along with a recommendation to the Board. Mr. Hamers reported two financial analyses are completed and are available for review.

Mr. Hamers suggested a mid-planning review for the Board on the status of field crew services.

It was agreed that the October Regular meeting date be moved to Wednesday, October 12, 2005 at 5:00 p.m. to allow time for a Staff presentation on field crew services.

Mr. Hamers advised the Board that he and Mr. Fauth are meeting with Bill Morris on Monday, October 19, 2005 to discuss discontinuance of the use of City personnel to provide field crew services, go over division of equipment and telemetry services.

Ms. Davis advised the City has not cashed the check from CMSD for services provided by the City for the month of July and has advised CMSD Staff that the payment was short. The City previously presented CMSD with an invoice with an amount due at a 10% increase without having discussed or having an agreement on such an increase with CMSD. The Board, at the regular August meeting instructed Staff to pay only the amount previously agreed to by the City and CMSD.

Mr. Hamers called attention to the transmittal letter to the County of the trash and sewer collection rolls and Resolutions for the 2005-2006 property tax statements. Mr. Hamers commended Ms. Bjornson and all of Staff for their extraordinary effort in assuring the data was submitted in a timely fashion.

NEW DISTRICT HEADQUARTERS

BUILDING AND GROUNDS AD HOC COMMITTEE

UPDATE ON IMPROVEMENTS

Mr. Fauth reported the Committee met to finalize best location for the flag.



Mr. Fauth reported there are three primary areas including repair of the roof, painting the building exterior and landscaping. It appears in the District's best interest to hold off on landscaping while going forward with repairing the roof and installing gutters all around building. The Committee recommends postponing painting the building until a later date.

Mr. Fauth reported he is receiving quotes to paint the exterior of the building.

RESPONSE FROM CR&R ON TRASH COLLECTION RATES

Mr. Hamers presented letter to Mr. Ronnenberg of CR&R regarding the trash collection rates along with a response which was void of statistics or sufficient reasoning. Mr. Hamers reported calling Mr. Ronnenberg requesting an acceptable response.

RECYCLING REPORTS

WASTE DIVERSION REPORT – AUGUST 2005

Ms. Revak presented the Waste Diversion Reports for August 2005 showing a 50.78% diversion rate.

Director Schafer motioned to receive and file the report. Director Perry seconded. Motion carried 5-0.

CONTRACT PAYMENT TO CR TRANSFER FOR RECYCLING SERVICES AND DISPOSAL

PAYMENT FOR AUGUST 2005 SERVICES

Director Schafer motioned to ratify contract payment to CR Transfer for recycling services and disposal for the month of July 2005 in the amount of \$213,623.15. Director Perry seconded. Motion carried 5-0.

PAYMENT FOR JULY 2005 SERVICES

Director Schafer motioned to ratify contract payment to CR Transfer for recycling services and disposal for the month of July 2005 in the amount of \$191,678.56. Director Woodside seconded. Motion carried 5-0.



JOINT MEETING WITH MIDWAY CITY SANITARY DISTRICT (MCSD) AT CMSD HEADQUARTERS

Ms. Revak reported no meeting date has been received from Midway City Sanitary District. Mr. Hamers noted that a new Manager was hired by MCSD. President Ferryman and Director Schafer reported talking with the President of MCSD and she expressed interest in the joint meeting. Director Schafer will contact MCSD with regard to setting a date.

CMSD VIDEO

Mr. Fauth presented proposal from Monitor Video to produce a completely new video in the amount of \$12,380.00. Mr. Fauth reported this product will be in a DVD format and would be available on the CMSD web site. This project is on hold until completion of the exterior improvements to the facility.

RECYCLING COMMITTEE – FRIDAY, SEPTEMBER 9, 2005 - 12:00 P.M., CMSD BOARDROOM, 628 W. 19TH STREET, COSTA MESA, DIRECTORS WOODSIDE AND FERRYMAN

RECYCLING COMMITTEE GOALS FOR 2005/2006

TOURS OF ORANGE COUNTY SANITATION DISTRICT

TOUR HELD AUGUST 24, 2005

Director Woodside presented photographs and a brief update on the August 24 2005 tour attended by 11 residents and 2 Staff members.

A Home School Group has expressed interest in a tour.

NON-PROFIT GROUP RECYCLING PROJECTS

A session with a Boy Scout Troop is scheduled for September 19, 2005.

Director Woodside reported contact was made with the Girl Scout Council to obtain information on Costa Mesa troops that may be interested in a recycling project.



Director Worthington suggested Staff contact Newport-Mesa Unified School District with regard to using a school bus for CMSD tours. Director Worthington reported the Lion's Club recently used a NMUSD bus at a cost of \$24.00/hour including the services of the bus driver.

SEWER SCIENCE PROGRAM

Director Woodside reported the Orange County Sanitation District received a letter of support for their Sewer Science Program presented in local high schools.

RECYCLING GROCERY STORE PLASTIC BAGS

Director Woodside reported on curbside recycling of plastic bags being practiced in Dana Point, San Clemente and San Juan Capistrano. As CMSD's trash collection program does not require separation of recyclables, the program may not be applicable to CMSD residents. Director Worthington reported speaking to George Lazaruk of CR&R on how the program might work for CMSD residents.

LARGE ITEM COLLECTION 2005

Ms. Revak reported the Large Item Collection program began June 13, 2005 and concluded on August 26, 2005. The landfill tonnage totaled 508.52 tons at a total cost of \$11,187.44. Recyclable White Goods collected totaled 184.34 tons, amounting to a credit of \$17,965.52 (\$97.45/ton) and a net profit of \$6,778.08.

Ms. Revak provided a comparison of the 2002/2003/2004 and 2005 programs and a historical perspective from 1997 through 2005. White goods accounted for 27% of all items collected.

ENGINEER'S REPORTS

WASTE DISCHARGE REQUIREMENTS – (WDR)

GENERAL UPDATE

Mr. Hamers reported the Statewide WDR is being drafted and Steering Committee members are meeting to review and provide comments. Mr. Hamers reported when the State WDR is implemented the regional WDR will be rescinded. The State WDR does appear to be a little less restrictive because other areas of California are not as advanced as in Orange County and these agencies are requesting less restrictive requirements.



Mr. Hamers reported the settlement between Coastkeepers and the Garden Grove Sanitary District is not yet known.

PROJECT No. 174 - GREASE CONTROL PROGRAM DEVELOPMENT

Mr. Hamers advised EEC is successfully implementing the District's grease control program and works well with District Staff.

Mr. Fauth provided an update on the Permit statistics.

Discussion was held.

DEVELOPMENT AGREEMENT AT 1901 NEWPORT BLVD. – EXCESS SEWER FLOWS

Mr. Hamers reported the agreement is not ready for presentation.

PROJECT No. 175 – OCSD COOPERATIVE PROJECTS GRANT - TELEVISIONING CMSD SEWER LINES

The Contractor is requesting a change in the contract indemnification language. Mr. Hamers recommended that CMSD General Counsel Alan Burns request resolution by Monday, September 26, 2005, and that the contractor sign and produce insurance and bonds or they respectfully will not be given the contract

Director Worthington motioned to give Attorney Burns authority to contact the contractor requesting resolution by Monday, September 26, 2005 by signing the contract and providing insurance and bonds or they will not be given the contract. Director Schafer seconded. Motion carried 5-0.

PROPOSAL TO PROVIDE ENGINEERING, INSPECTION AND PROJECT ADMINISTRATIVE SERVICES

Mr. Hamers presented a proposal to provide engineering, inspection and administrative services in conjunction with the televising contract awarded at the July 2005 regular meeting.

Director Perry motioned to approve the Proposal to Provide Engineering, Inspection and Project Administrative Services. Director Woodside seconded. Motion carried 5-0.



TREASURER'S REPORTS

INVESTMENT OVERSIGHT COMMITTEE MEETING – WEDNESDAY, SEPTEMBER 14, 2005, 5:30 P.M. (DIRECTORS PERRY AND WORTHINGTON)

Ms. Davis reported the Investment Oversight Committee met at 5:30 p. m. and will provide the Minutes at the October 2005 Board of Directors Meeting.

Discussion was held on investments.

ATTORNEY'S REPORT

CITY/DISTRICT AGREEMENT

As noted earlier in the meeting, the Board is in receipt of a City of Costa Mesa Staff Report to Costa Mesa City Council recommending they discontinue negotiations on providing field services crew services to CMSD.

CURBSIDE HHW AGREEMENT

Mr. Burns reported Staff is close to providing a finalized agreement, subject to verifying Curbside insurance policies. The Agreement will be brought back to the Board for approval at the October 2005 meeting.

COSTA MESA DISPOSAL AND CR TRANSFER CONSOLIDATED AGREEMENT

Mr. Burns reported he has continued contacting Costa Mesa Disposal and CR Transfer regarding their comments on the proposed agreement.

CLAIM – JUDITH A. WRIGHT – MANHOLE AT 407 HAMILTON

Mr. Burns advised the claim of Judith A. Wright infers the District is liable to Wright because her rack apparatus on the back of her car hit a CMSD manhole in Hamilton Street. Mr. Burns concluded this was not a dangerous condition of public property for which there would be liability and the claim should be rejected.

Motion made by Director Woodside, seconded to Director Perry, to reject the claim of Ms. Wright. Motion carried unanimously.



RESOLUTION No. 2005-715 ACCEPTING THE VACATED RIGHT OF WAY FRONTING THE DISTRICT HEADQUARTERS BUILDING

Mr. Burns presented Resolution No. 2005-715 accepting the City's Resolution 05-51 vacating excess right of way on 19th Street in front of the District's headquarters at 628 W. 19th Street and their quitclaim deed for all easement rights in said property in favor of the District.

Director Schafer motioned to approve Resolution No. 2005-715. Director Perry seconded the motion. Motion carried 5-0.

LOCAL MEETINGS

ORANGE COUNTY SANITATION DISTRICT (OCSD)

REGULAR MEETING – JULY 20, 2005 (PRESIDENT FERRYMAN/DIRECTOR SCHAFER)

Director Ferryman reported the Board narrowed selection of legal counsel to three and within the next month selection will be made.

SANTA ANA RIVER FLOOD PROTECTION AGENCY

A meeting of the Santa Ana River Flood Protection Agency was not held.

INDEPENDENT SPECIAL DISTRICTS OF ORANGE COUNTY (ISDOC)

Director Schafer attended the meeting on August 2, 2005 and reported they discussed the following:

- Next meeting at OCSD (October 28, 2005 - Quarterly meeting)
- Executive Board meeting held September 14, 2005.
- Director Worthington will be ISDOC Representative at the CSDA Chapters meeting.

LOCAL AGENCY FORMATION COMMISSION (LAFCO)

Director Schafer attended the meeting on September 14, 2005 and reported they discussed the following:

- Spheres of Influence
- Fourteen Annexations



CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA)

- Director Schafer reported the next meeting date is September 26, 2005
- Director Schafer is running for re-election as Treasurer to the Executive Board

MEETINGS OF: COSTA MESA CITY COUNCIL, OCCOG, WACO, CHAMBER OF COMMERCE

OCCOG

President Ferryman attended the meeting held in Lake Forest and reported the meeting was well attended.

WACO

Director Schafer attended the WACO meeting of August 5, 2005, and reported the following:

- Wes Bannister presented an update on water issues.
- Guest Speakers were Brad Hiltcher, Executive Legislative Representative for Metropolitan Water District of Southern California and Larry McKinney, Manager, County of Orange, Resources & Development Management Department, Watershed & Coastal Resources District

CASA

Director Worthington presented a report on the CASA Conference held in San Diego August 17 through August 20.

- The Governor will likely be signing AB 1234, which is a bill pertaining to Special Districts compensation and training required by Directors.
- Several Districts are advising neighborhoods of sewer spills as an education for eliminating these problems.
- Consider providing residents with diagram showing difference between storm drain system and sewer system
- Consider promoting lateral inspection of property as an Escrow requirement inside District to protect the home buyer in a resale.



OLD BUSINESS

There was no old business discussed.

NEW BUSINESS

Alternate Meeting Date for November Regular Meeting

The CMSD November Regular Meeting will be held on Wednesday, November 16, 2005 at 12:00 p.m.

Suggestions from Director Worthington Regarding CMSD DVD

Director Worthington presented an outline of material the District could develop in a DVD to educate the community about sewer collection.

ORAL COMMUNICATIONS AND DIRECTOR COMMENTS

ADJOURNMENT

At 8:01 p.m. President Ferryman adjourned the meeting.

SECRETARY

PRESIDENT